

stop relying on Social Security's surpluses to fund other government programs. The Social Security lock-box legislation we are now considering provides a hard and fast means of protecting these monies, while providing needed "safety valves" for recessions, emergencies, declarations of war, or legislation that strengthens the Social Security program. Accordingly, I urge my colleagues to uphold their commitment to this proposal by voting to conclude debate and bring the Social Security lock-box proposal to a Senate vote.

Thank you, Mr. President. I yield the floor.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Tuesday, April 20, 1999, the Federal debt stood at \$5,628,407,736,077.41 (Five trillion, six hundred twenty-eight billion, four hundred seven million, seven hundred thirty-six thousand, seventy-seven dollars and forty-one cents).

One year ago, April 20, 1998, the Federal debt stood at \$5,514,300,000,000 (Five trillion, five hundred fourteen billion, three hundred million).

Five years ago, April 20, 1994, the Federal debt stood at \$4,569,088,000,000 (Four trillion, five hundred sixty-nine billion, eighty-eight million).

Ten years ago, April 20, 1989, the Federal debt stood at \$2,754,104,000,000 (Two trillion, seven hundred fifty-four billion, one hundred four million).

Fifteen years ago, April 20, 1984, the Federal debt stood at \$1,486,967,000,000 (One trillion, four hundred eighty-six billion, nine hundred sixty-seven million) which reflects a debt increase of more than \$4 trillion—\$4,141,440,736,077.41 (Four trillion, one hundred forty-one billion, four hundred forty million, seven hundred thirty-six thousand, seventy-seven dollars and forty-one cents) during the past 15 years.

CBO ESTIMATE OF Y2K ACT

Mr. MCCAIN. Mr. President, when the Commerce Committee filed the report for S. 96, the Y2K Act, the Congressional Budget Office had not completed the cost estimate for the bill. Recently, the committee received the estimate. In summary, the estimate concludes that the measure would most likely result in a savings to the Federal court system. I look forward to debating this measure, and I ask unanimous consent that the report be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 19, 1999.

Hon. JOHN MCCAIN,
Chairman, Committee on Commerce, Science,
and Transportation, U.S. Senate, Wash-
ington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 96, the Y2K Act.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Susanne S. Mehlman (for federal costs), Lisa Cash Driskill (for the state and local impact), and John Harris (for the private-sector impact).

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

CONGRESSIONAL BUDGET OFFICE COST ESTIMATE S. 96—Y2K ACT

Summary: Enacting S. 96 would provide some liability protection for businesses that fail to repair their year 2000 (Y2K) computer problems. CBO estimates that the net effect of S. 96 would most likely be a savings to the federal court system but we cannot estimate the extent of any such savings because we cannot predict the number of lawsuits that would arise—under either S. 96 or current law—from computer failures associated with the year 2000.

The cost of addressing the Y2K problem in the United States is expected to total hundreds of billions of dollars. The extent to which such problems will be resolved prior to next January (or shortly thereafter) remains highly uncertain. Even more uncertain is the extent to which companies and individuals might file lawsuits against businesses because of problems encountered next year. CBO expects that enacting S. 96 could deter some potential plaintiffs from filing such lawsuits.

Some class action lawsuits may be shifted from state courts to federal court under this bill, so the federal courts could incur an increase in costs because class action lawsuits tend to be very timely and costly. However, CBO expects that any such increase would be more than offset by savings attributable to having fewer Y2K cases, overall, under the bill than under current law. Any net change in costs to the federal court system would affect appropriated spending. The bill would not affect direct spending or receipts, so pay-as-you-go procedures would not apply.

S. 96 contains intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) but, overall, CBO expects that enacting this bill would lead to a savings for state and local governments. The threshold established in UMRA (\$50 million in 1996 dollars, adjusted annually for inflation) would thus not be exceeded. The bill also would impose a new private-sector mandate but CBO cannot estimate the cost of the mandate.

Description of the bill's major provisions: S. 96 would provide various liability protections for businesses and state and local governments facing possible litigation arising from Y2K computer problems. In particular, the bill would: limit punitive damages to \$250,000 or three times the actual damages that a plaintiff suffered, whichever is larger, and cap punitive damages at \$250,000 for companies with fewer than 25 employees; require potential plaintiffs to give a prospective defendant 90 days to propose a plan to resolve the Y2K problem before any legal action could be taken under a lawsuit; assess any liability on a proportional basis, whereby a person against whom a judgment is made

would be liable for only the portion of damages corresponding to that person's percentage of responsibility as determined by the judge; and ease restrictions for filing class action lawsuits in federal court.

Estimated cost to the Federal Government: CBO estimates that enacting S. 96 would probably result in a net reduction in the workload of the federal court system as compared to what would occur under current law. Thus far, about 60 complaints associated with Y2K problems have been filed; the majority of cases based on those complaints are class action lawsuits that have been filed in state courts. Several of the larger cases have been settled, but there is little basis for predicting the number or outcome of Y2K lawsuits that would be filed under S. 96 or under current law. Therefore, CBO cannot estimate the magnitude of any net savings to the federal government under the bill.

To the extent that a significant number of lawsuits related to Y2K problems are filed under current law, the Judiciary will either need to seek legislation authorizing additional judgeships and support personnel to address the increased workload or experience a severe backlog in cases. Because S. 96 would limit punitive damages associated with Y2K cases, give businesses 90 days to respond to Y2K problems before any legal action could be taken against such businesses, and make other changes affecting liability laws, CBO expects that parties to lawsuits would be encouraged to reach a settlement. Thus, we anticipate that many lawsuits would not result in a trial, which can be timely and expensive. However, some class action lawsuits could be shifted from state to federal jurisdiction under S. 96 because the bill would ease restrictions for filing such actions in federal court. On balance, CBO estimates that the savings from eliminating trials for many lawsuits would more than offset any increased costs that might be incurred from trying additional class action lawsuits in federal court.

Pay-as-you-go considerations: None.

Estimated impact on State, local, and tribal governments: S. 96 contains intergovernmental mandates as defined in the UMRA but would impose no significant costs on state, local, or tribal governments. The bill would preempt state law by applying certain federal requirements to Y2K civil lawsuits in state courts after February 22, 1999. CBO expects that enacting this legislation would deter some potential plaintiffs from filing and pursuing lawsuits, thus reducing the resources state courts would expend on this type of litigation.

In addition, by easing the requirements for filing Y2K class action lawsuits in federal court, the bill could diminish some of the burden on state courts, where most of the current lawsuits have been filed. On the other hand, more individual cases might be filed in state courts to complement class action suits in federal courts. Overall, CBO anticipates the net effect of this bill would be a savings to state courts.

This bill would supersede any state laws inconsistent with it. While no state has established Y2K liability protection for the private sector, several states currently are considering that issue in their legislative bodies. Finally, S. 96 would provide state and local governments protection from punitive damages arising from a Y2K action. Only six states and the District of Columbia have already passed legislation protecting themselves and their localities from Y2K liability. To the extent that state and local governments could become defendants in Y2K litigation and have not protected themselves